

January 4, 2006

CHAIRMAN'S "STATE-OF-THE COUNTY" ADDRESS – DON STAPLEY

"My first duty as Chairman, I'm pleased to present to our outgoing chairman a plaque I'd like to just quickly read, it says, 'Max Wilson, Chairman 2005, in recognition of your leadership, presented by the Maricopa County Board of Supervisors.' Congratulations, Max.

A couple of other really fun *new* things, we're presenting Max with a Key to the County, so when he gets here first, he can open the doors. And, someone else came up with a great idea, I think it's wonderful. This has the insignia of the White Tanks Mountain Regional Park, one of our wonderful parks on the West Side that Max has been known to wander the trails there and get a little exercise. So this is a walking stick with that seal of the Park. Thank you, whoever helped us put this together, and I present that to you also.

First of all, let me thank you for coming. This is truly an honor and before I get into the address that some of you may find less interesting than others, let me just share briefly the schedule for the rest of the morning. 10:26:47

We have provided for a short little reception with some goodies to eat. And I wanted to do it someplace new and different that most people aren't, maybe, familiar with and that is the Old Court House just across Jefferson, out the rear entrance here, which we remodeled this past year, actually it was two years ago we remodeled it, and the administrative offices of the court, Judge Mundell and her staff and folks are up there, and there's a wonderful reception room that used to be a jail, for decades. Until the '60s it was the County Jail, and so we kept a little bit of the jail in one corner for kind of a historical reminder of that 1929 building – it's a beautiful art-deco building. To get into the building, we've made it as easy as possible, simply walk across Jefferson, out these doors, we'll have security guards helping you across and into the south entrance of the building, which is not the main entrance, it's an employee entrance, and to the elevator and up to the 6th floor. Please join us for a few moments to say 'hello,' and we have some coffee, hot chocolate and some juice and some cinnamon rolls, I understand, so it should be a treat.

I'd like to thank my colleagues on the board for this honor. It truly is an honor. "Andy, Max, Fulton, Mary Rose, thank you and I remain grateful for your confidence, very much so. Your professional support is crucial to a successful chairmanship, as you know, and I very much thank you.

I also must acknowledge the support of my family, as has been said already. You know, I couldn't do this without my wife and support of my family. Kathy, has had to deal with some health issues this year that she's handled with grace and dignity, and I admire her so much for that. Kathy and I have four wonderful children. One of them are able to be with us, his spouse and I'll introduce them in a moment, and a granddaughter is here also, just moved here from Utah, so we're excited to have them here. We also have great parents and they're with us today, and I'd like to have them stand, and they've been a great support and guidance for me throughout my life and a great legacy for myself and my siblings. Would all of my family please stand and be recognized They're up here in the front row. Thank you all very much.

Max, I know that I am speaking for everyone when I say that you have magnified the role of Chairman and that you have raised the bar for the rest of us to follow. 2005 was a year of great accomplishments, as you saw in the video, and I'd like to thank Max, again, for his leadership.

In 2005 we've also seen significant calamities in this country and abroad, in light of the tragedies of Hurricanes Katrina and Rita we are fortunate to live in a county here that is normally spared from these kinds of natural disasters. And yet, our communities have responded readily, with an outpouring of care and support. I'd like to thank the employees of Maricopa County, as well as other local governments in the State of Arizona, for the wonderful job that they did in responding in a timely and effective manner. Many people don't know how much we gave but it was significant to many, many victims of those tragedies.

Our County Mission is to provide responsible leadership so our residents can enjoy living in a healthy and a safe community. With that as a guide, I've established priorities for my Chairmanship in the upcoming year. I will focus my efforts as Chairman on three areas that I feel will have the greatest impact. Those areas are, 1st – health: 2nd – public safety and the criminal justice system: and 3rd – fiscal responsibility through property tax reduction.

Keeping the residents of Maricopa County healthy has always been a high priority of the County, and a responsibility mandated to us by federal and state governments. I'd like to start this year by presenting to you a concept, and asking the Board to support this, and the Administration, that is called "A Prescription Drug Discount Card.

This card has been successfully piloted during the past year in ten counties across the country by NACo. Because it was provided nationally by NACo, this program has already been put together and passed all the legal benchmarks and thresholds that are required. The RFP was put out, and actually it was a Scottsdale-based wholesale drug, prescription drug company that won that RFP and are the providers of these prescription drugs. They provide to many, almost all, of the drugstores that are in our County. This discount card allows individuals access to prescription drugs at up to a 40% discount. This program is flexible to its users and access to medication is readily available throughout the County. Citizens do not have to fill out any lengthy forms and the County will provide them with these cards, and there is no qualifying. Any adult can ask for one of these cards and receive it. The Card will be distributed throughout the County through all the means that we have at our disposal.

With the cost of healthcare on the rise, the effects would be felt by many of its users, as they have been in the ten counties where this has been piloted. And it's actually designed as a supplement to your existing insurance, so if your insurance doesn't cover a particular formulary drug this card may. And it can be used as a backup to your existing insurance. But, most importantly, it will help those who have no insurance, which is a significant portion of our community. It will also help offset the high cost of healthcare for the increasing population of our Medicare and Medicaid programs and recipients.

Many of you have also noticed, as I have, the enormous amount of high pollution advisories that we've had this winter season. I refer to it as 'the perfect storm.' Our weather, with the high pressure situation has really created extraordinary problems this year. Probably worse than I have seen in my lifetime in the Valley. We need to work hard to overcome these problems. The Board is focused on solving this problem of clean air as is evidenced by the resources that we've devoted to this program. Last year, we created the Maricopa County Air Quality Department in order to intensify our focus on air quality issues here in the County.

Incidentally, I'm pleased to recognize and announce to you that the National Association of Homebuilders selected, and will be recognizing this month in Washington, D.C., as the National Government Official of the Year our own Joy Rich, who is Deputy County Manager. 'Joy, we're very proud of you in that regard.'

We've also added key staff that has taken the Air Quality Department to a new level. Bob Kard, welcome to Maricopa County. You came at a very appropriate time with the expertise that you bring. That department that Mr. Kard is heading up, is growing, making changes, and it is

reaching out to our community in new and better ways to try to effectively spread the word that we have a crises with our air. And that we have to all work hard to solve these problems and to better enforce these new rules that the Board has implemented in the past year.

The Federal, Clean Air Act, mandates specific levels of our air be monitored, and met, as the regional governing authority. The County is working with MAG and working with all of the communities, cities and towns, to try to make sure everyone does their part to keep up these standards. Regulated businesses and industries must comply with all the requirements in order to ensure their impacts on the air quality are minimized to the extent required by this law. This Board has increased the number of air quality inspectors working in the field to make sure construction sites, industrial operations, and residents alike, follow the letter of the law. We have also called on the 24 cities and towns and the Native American Communities to cross-train their inspectors, and we'll pay for the cost of training them here in the County, in order to help us identify violators and violations, and to ensure that we immediately enforce the rules. The Board of Supervisors is very appreciative of the efforts of all the people who have done their very best and who do comply with these regulations. The cost to do so can be large, we recognize, but are easily outweighed by the benefits of reduced medical care costs and having us all breathe a lot easier.

While I believe that most people want to help in our quest for clean air, there are those who may attempt to benefit by cheating the system. For the air pollution offenders, we have the Air Quality Enforcement Division, which will hold them financially accountable for their actions. We're working closely with our County Attorney and his prosecutors in that regard. You may be interested to know that fines and prosecution of violations and violators are at an all-time high during this past quarter.

As we move into 2006, the Air Quality Department will focus on business and education and, more importantly, education to the public at large. Air is one of our most important natural resources and we at the County will be leading what I refer to as a full court press, pulling out all the stops to make sure that we do everything we can to maintain the quality of air that we need to continue to survive in healthy conditions in this County.

I have ideas that I'd like to throw out to the Board and to staff that include telecommuting for those County employees where it is possible to do some telecommuting. Flexible work schedules, perhaps changing the time you start work from 7:30 or 8:00 till 8:30 or 9:00 and staying later or starting earlier. Flexing the entire, large County employee group, so that we have people coming in at staggered times and leaving at staggered times to help with the air. Obviously, car pooling and using the transit systems are very important and we want to continue to set the example as a large employer and the agency responsible for this important program county-wide.

Public Safety and the Criminal Justice System is one of the most important additional elements to County government, especially if you look at the budget. I'm pleased to be a part of a county that recognizes a need to reach out and do our part to make sure that this community is a safer and a better place to live and to do business.

In that regard, the recently completed Human Services Campus has been one of the most rewarding, collaborative, regional efforts I have ever seen in my decade-plus as a public servant. Under Board leadership, County Manager David Smith spearheaded the vision, funding and construction of this monumental facility, which stands as a model to all of the counties and states in this nation. The County already has received national recognition and it goes to show that working together with local businesses and other government bodies we can accomplish great tasks. This campus provides essential services for those who need shelter, food, employment, medical care and a safe place for health and security. Key to the success of the Campus are the next steps: transitional housing; long-term employment opportunities; transportation; and many other individual needs that are essential services to eliminate the pressures we are already feeling on this brand-new facility.

I will commit my time and energy to working closely with the Campus, as well as looking to public and private partnerships to ensure the long-term success of this institution. Let me emphasize and remind you of something very important, this national model is not designed to be another 'layer' of government. It's not run by the County or any other government, but rather is run by a private, non-profit entity controlled by the Board of Managers from major faith based and community based not-for-profits, in collaboration with the state the County and local governments. This model is unique in the nation. I can't help but thank our Secretary of State and former Supervisor, Jan Brewer, who was here when we began this project, and threw all of her effort and considerable political-weight behind it. So Thank you, Jan, again. And, May Rose, you were there too. You deserve great credit for this.

Dr. Adele O'Sullivan is the Medical Director of the Maricopa County Health care for the Homeless Program. This past October, as was mentioned earlier, she was named the Family Physician of the Year by the American Academy of Family Physicians. This organization awards honors once a year to an individual who provides patients with outstanding compassionate and comprehensive health care and serves as a roll-model in his or her community. She has spent the last nine-years providing full-time, primary health care for homeless individuals in Maricopa County. Dr. Adele O'Sullivan thank you very much and congratulations on that well deserved award. Would you like to stand, please? Thank you kindly.

We've all heard about the impact of the seriously mentally ill and read about it in the newspapers. You've heard a lot about it, probably, on talk radio or on television. The seriously mentally ill, or the SMI population in our jails, both here in Maricopa County and across the nation, become a major problem. We recognize that the size of financial cost of housing and medicating this population, there is a societal cost in incarcerating the mentally ill instead of treating them in a more appropriate setting. The Maricopa County Board of Supervisors decided it was necessary to explore ways to intervene when the seriously mentally ill come into contact with the criminal justice system. In December of 2004, this Board authorized the creation of the County's Commission of Justice System Intervention for the seriously mentally ill. This group's mission is to 'explore and implement programs that will enable Maricopa County to more efficiently identify individuals with mental illnesses entering or already within the criminal justice system so that they can be diverted from, and/or treated, appropriately within the system. We began meeting in March of 2005 and have come together six times to further educate ourselves on many issues surrounding the matter of the mentally ill in jail and to decide our action plan for the coming year.

This Board, the County Board of Supervisors, has supported and encouraged this plan (two members of this Board have served on that Commission) and it has been supported through our budget and approval of our budget for the coming fiscal year in a number of ways. The Commission established six working groups to examine potential intervention points for the mentally ill in the criminal justice system from point of first contact with law enforcement to the point of release from jail. Broad ideas proposed by the group includes more efficient ways to communicate between all the parties involved, including law enforcement, the courts, the county attorney's office, the public defender, Value Options (our state-wide mental health care provider) correctional health and probation, while still following the medical confidentiality laws and restrictions known as HIPPA. Other broad ideas induce continuing improvement in the probate, mental health court and SMI probation units, which are already recognized for their great work and innovations. Discussions have revolved around increasing capacities in the community for counseling and treatment programs, along with more housing. The Sheriff's Office is exploring the idea of Mobil Crises Teams, modeled after a very successful program in Los Angeles, CA, that pairs a clinician with a law enforcement official to more appropriately handle situations from the very beginning. Sheriff Joe Arpaio and Chief David Hendershott have been instrumental in preliminary launching of this program, and I would like to thank them for their efforts.

A primary challenge in setting up this action plan has been the lack of a centralized database regarding the seriously mentally ill, whether it's the population in the County or in the jail system, for the costs of treating this population. In order to address this challenge, the Commission

applied for a grant offered through the National Association of Counties, sponsored by the Eli Lilly Drug Company. The money received is being used to more fully define the Commission's plans over the next year and to develop a central clearing house for the type of data mentioned above. By having the data compiled, the Commission will have a base-line against which to measure our efforts. I appreciate the hard work and the commitment of all Commission members and the agencies they represent. Amy Rex, in Mr. Smith's office, has been a key to the success of this Commission and making sure that the meetings are organized and effective. Thank you Amy. Only with this type of effort will the County ensure that the mentally ill are treated properly and appropriately. The bottom-line for all of us is that for the majority of the mentally ill, incarceration in jail is not the answer.

Recent national research indicates a definite correlation between an insidious drug called Methamphetamine and its use and the mentally ill in our jails. We're finding through information gathering and sharing that Meth is having a definite impact on our prison population and the rising numbers of inmates booked into our county jail that are testing positive for Meth, and those numbers are increasing at a staggering rate. This problem is not just a County issue, although it affects counties in a greater way, many times over, than other governments. It is a national and a state issue as well and many people are working hard to figure out some better solutions.

Let me share some of our findings. Meth is an inexpensive, highly, highly addictive drug that is illegally made and can be made in just a matter of a few hours in a home lab. The smuggling of this drug from Mexico into the United States through Arizona has increased sharply since 2001. More Meth was seized at or between points of entry into Arizona in 2003 than in California and Texas. Over the past four years, 1,263 Methamphetamine production seizures have occurred across this state. Over 300 children have been rescued from Meth labs. Approximately 40% of adults arrested in the Phoenix area in 2003 tested positive for Meth and a higher percentage are directly related to this horrible drug. Arizona leads the nation in Meth among children between the ages of 12 and 17. Between 2000 and 2003, 1/3 of the children found at Meth labs tested positive for the drug. According to the Drug Enforcement Administration, the Phoenix Division, the drug has become increasingly popular with teenagers. We need to learn more about the problem in Maricopa County and identify and raise the awareness of the population. We need to look for collaborative opportunities with enforcement agencies, social services, community groups, schools and treatment programs after researching best practices and successful campaigns in other parts of the country. We must attack this issue aggressively and educate ourselves and the public on the devastating effects this drug is having on our community. Education is the first step in tackling the problem and I intend to work closely with my colleagues on this Board and with state and other local officials to combat this destructive drug. We commend the State of Arizona for recently awarding grants to the Community Bridges non-profit organization, to design and implement an effective rehabilitation program specifically for Methamphetamine abusers.

Maricopa County has long been a leader in managing our budget and governing with fiscal responsibility. Our constitutional mandate is to set an appropriate property tax rate to balance our budget once each year. Sandi Wilson, Chris Bradley, Brian Hushek, and their entire staff, have done an unbelievable job in managing this budget process. Thank you, very, very much, they deserve a round of applause.

I believe that Maricopa County is one of the best-managed counties in the nation. One of the hallmarks of this success over the past decade has been our fiscally conservative approach to solving community issues and funding our mandated services. We are very serious about ensuring that we get results for the money we spend in keeping our taxes as low as possible. \$757 million, or 36% of our total \$2 billion + annual budget – I guess it's closer to \$3 (billion) now – is devoted to law enforcement and justice issues. It's a lot of money, folks! This is an element of society that government *is* responsible for. I want to ensure our citizens that these resources are being wisely used. That's why, this year, we will be pursuing strategies that will stretch our resources even further, and make the most efficient use of our dollars in the criminal justice arena. We will be pursuing a strategy to fund programs that change behavior and make our

community safer. This vision was outlined by our national consultants as a part of our new jail construction program over five-years ago that is now complete, and it was endorsed by our Citizens' Jail Oversight Committee. Now is the year to really act. One of the major goals in the coming year is to evaluate and fund streamlined justice system programs which reduce our jail populations and delay the need to build additional detention facilities, thereby saving hundreds of millions of dollars in the future. We will examine and finance successful diversion and treatment programs to keep non-violent individuals out of our jails.

An example of this is our mentally ill population I've already spoken of. When mentally ill individuals are booked into the jail we will be better stewards of public funds by not over-medicating, which some suggest may be happening, but providing only necessary psychotropic medications. This will also lower our costs and will produce a better outcome for these individuals. In addition, we will continue to develop in-jail drug treatment programs like the proven Alpha Program in the Sheriff's Department (which this year we doubled our funding to) for inmates that enter the jail with drug and alcohol related illnesses. This should improve the recidivism rates and get these individuals back to being productive members of our community. We will also be focusing on our juveniles with programs such as the Teen Court program, which will be expanded in the next several months. All of these initiatives will lower costs and provide safer neighborhoods. One other noteworthy initiative to save costs is the major overhaul of our Justice Court facilities, what we refer to as the co-locating of Justice Courts. We are very grateful to the Judicial Branch of Government, Presiding Judge Barbara Mundell, and Jerry Porter and your staff, and those who have worked with us on this, thank you very much for your tireless efforts in that regard.

Using our tax money appropriately on results is only one side of the equation. It is also important when setting tax policy. As of July 1, 2004, Maricopa County has been General Obligation Bond debt free and is no longer carrying a Secondary Property Tax Rate for Debt Service. This is unique in the nation for a county of our size, probably in fact, unheard of. We were able to do this by utilizing a pay-as-you-go philosophy for funding of capital buildings. Maricopa County is poised to continue its innovative Capital Improvement Program that was begun in fiscal year 2000. The County will continue to utilize accumulated budgetary savings and lease reversions to fund the County's capital needs. As long as this policy is in place Maricopa County will not need to ask the voters for tax increases to fund new buildings and infrastructure. We are one of the only major counties in the nation, and one of a handful of local governments in Arizona, that does not impose taxes to retire bonds.

Property values have increased phenomenally in the past year, so, what's really happening? Keith Russell, our new Assessor, who has been introduced, just completed his first full year as our County Assessor and is working very hard, I know for sure. Many people are worried that the big increase in their property values will result in a big Property Tax increase. The good news is that there are a lot of protections in place for taxpayers. The even better news is that, here at the County, we intend to go even further to protect taxpayers. Most property taxes are Primary Property Taxes for operating purposes and largely go to education. Increases in both taxable property values and tax collections are limited by the State Constitution, except for the voter approved overrides. The Primary Property Tax rate can only increase 2% each year on existing properties. As I previously stated, we are providing for the buildings, infrastructure and equipment the County needs to serve a rapidly growing region from our operating budget within the County's limited Primary Property Taxes.

However, the law does not similarly limit Secondary Property Taxes, which go to bonds and special districts. Since we are not issuing bonds for our capital needs, we are self-regulated on that issue and we, on the Board of Supervisors, can do something more to protect taxpayers from big increases in Special District Property Taxes, and we will. We are also the Board of Directors of the Library District and the Flood Control District, and we set those District's tax rates. The law does not limit these District's property taxes as it does the County's primary taxes, and taxpayers could see big increases, that's why we're going to impose our own limits this afternoon in our

business meeting. Today I'm proposing that we put a self-imposed limit on the Library and Flood Control District property taxes at 2%. Exactly the same that exists constitutionally now on our Primary Property Tax Rate. Our self-imposed rate limit will reduce these Districts' tax rates to offset some of the big increases due to the assessed valuations going up. The combined Property Tax Rate controlled by the County, which is already at its lowest level in 26 years, will drop even more.

That ends my address, but I'd like to conclude now – I know this was a little long for my granddaughter who's in the front row there on her mother's lap, and I am sorry, but there was a lot of very exciting things, I think, that I wanted to share with you.

In conclusion, let me make a point of personal privilege, and introduce to you someone who is very special to my wife and I and our family. In the late 70's Cathy picked the phone up one day and called Catholic Social Services. She called me at the office and asked if she could do this, and I said, "Sure." I didn't think she'd really get anywhere. The next thing I know we were at the airport picking up ten members of a refugee family that she sponsored from Viet Nam. And that tight-knit little family was made up of a husband, wife, a couple of three kids, and an aunt and uncle and a grandmother. All living together, having left the country under great duress on a boat. They were at sea for a number of weeks before they found themselves in a camp on an island in Indonesia. Long story, I won't dwell on the details, but I have invited today, just to try to bring together all these issues and make a very simple point. We live in a great country. With us today is a gentleman whose name is Hai Ngo. Hai would you stand and be recognized? Hai is a member of that wonderful family from, what was, Saigon, that area. They now live here in Arizona. They own a prospering business. They pay taxes...a lot of taxes, they're in the retail business, and Hai lives in Gilbert with his wife and two children. He still calls me "daddy" although he's only five years younger than I am. He insists, when people ask about his family and where they come from, that we adopted them and that he's part of the Stapley family. That gets a lot of raised eyebrows from the city inspectors in Mesa! But, it's really been a joy for my wife and family and I to have been a part of their lives. To have helped them assimilate into our society, and to watch as they took advantage of some of the services here at the County. Hai, for example, had a very serious stomach ulcer when he came, went to the County Hospital, had major surgery that saved his life. And now, he's paying back "in spades" through the taxes that he pays from the numerous businesses that he owns and operates with his family. They are a marvel. They now go back to Viet Nam regularly and take with them money to help their families who are less fortunate in Viet Nam. They're the embodiment of the American Dream and I just wanted to share with you why we do what we do at the County, and at the State and at the Cities, is to help people who really need just an opportunity to make a better life for themselves and to make certain that we maintain the quality of life that we've all become so used to here in Arizona and Maricopa County. Thank you for listening and I look forward to greeting you at the Old Courthouse, across the street. Appreciate your attention.

This meeting is now recessed.